

## COVID-19

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# State Funding Actions Related to COVID-19

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This post summarizes recent legislative and administrative action to allocate state funds to respond to the coronavirus disease 2019 (COVID-19) public health emergency. These activities are ongoing. We plan to update this post periodically to reflect new information and actions, but for the most up-to-date information, visit: <http://www.dof.ca.gov>.

***State Actions to Allocate Funding to COVID-19 Response.*** Both the Legislature and administration took actions in recent weeks to allocate additional funds to the state's response to COVID-19. These actions are:

- ***SB 89 (Committee on Budget and Fiscal Review).*** The Legislature passed SB 89 on March 16, 2020, allocating up to \$1 billion for COVID-19 response. Senate Bill 89 establishes a process that allows the administration to access and use these allocated funds. Under this process, the administration must notify the Joint Legislative Budget Committee (JLBC) 72 hours prior to the use of any funds. (The 72-hour requirement may be waived upon request and approval by the JLBC.)
- ***SB 117 (Committee on Budget and Fiscal Review).*** The Legislature also passed SB 117 on March 16, 2020. This legislation appropriated \$100 million in Proposition 98 (1988) funds to be used for purchasing personal protective equipment and sanitizing and cleaning school facilities. Subsequent guidance from the California Department of

Education also allows school districts to use these funds more broadly to meet other needs, such as supporting distance learning.

- **DREOA.** Using authority established in Government Code 8690.6, the Governor transferred \$1.3 billion from the Special Fund for Economic Uncertainties to a subaccount within the fund—the Disaster Response Emergency Operations Account (DREOA). Monies transferred into DREOA are continuously appropriated for disaster response and recovery operation costs incurred by state agencies during a state of emergency.
- **Executive Order (EO) N-41-20.** In addition to the above actions, the Governor issued EO N-41-20 on April 1, 2020. Under the authority in Government Code Sections 8566, 8567, and 8645, the Governor indicated he could use emergency powers to transfer funds from other legally available state funds into DREOA in order to spend more on the COVID-19 response, as needed.

Figure 1 shows how the funds allocated under the authorities above are currently being used. As of this writing, the administration has not yet used its authority under EO N-41-20 to expend any resources.

**Figure 1**

## Tracking State Expenditures for COVID-19 Response

(In Millions)

Department	Description	SB 89	DREOA	SB 117 <sup>a</sup>
<b>Medical Equipment and Services, and Hospital and Other Medical Capacity</b>				
DGS	Medical supplies, surge capacity for hospitals and medical facilities, other expenses.	—	\$993.2	—
OES <sup>b</sup>	Procuring personal protective equipment.	\$188.2	306.8	—
CDPH	Lease hospital facilities (Seton and St. Vincent).	30.0	—	—
EMSA	Purchase equipment (ventilators and IV fusion pumps).	8.6	—	—
EMSA	Provide patient transportation and standby services.	2.0	—	—
CDPH	Expand capacity at the state's public health laboratory in Richmond.	1.4	—	—
<b>Services for Individuals Experiencing Homelessness</b>				

Department	Description	SB 89	DREOA	SB 117 <sup>a</sup>
BCH Agency	Medically indicated services and supplies for temporary shelters.	\$100.0	—	—
DSS	Travel trailers and hotel and motel beds for immediate homeless housing.	50.0	—	—
<b>Funding to Local Governments</b>				
DSS—CalFresh	Funding to counties for increased administrative costs in CalFresh.	\$24.3	—	—
DHCS—Medi-Cal	Funding to counties for increased administrative costs in Medi-Cal.	12.7	—	—
DSS—CalWORKs	Funding to counties for increased administrative workload for CalWORKs.	8.0	—	—
CDCR	Reimbursement to county jails for housing inmates not accepted to prisons.	5.7	—	—
BSCC	Reimbursement to county probation departments for supervision of offenders released early.	3.0	—	—
<b>Income Support and Nutrition Assistance</b>				
DSS	Payment to families whose children are at risk of entry into foster care.	\$27.8	—	—
DSS	Mitigate increases in food needs for low-income and food-insecure populations.	20.0	—	—
DSS	Diversion cash assistance to individuals with incomes below 200 percent of the federal poverty level.	3.0	—	—
<b>Other</b>				
CDE and DSS	Funding to child care providers.	\$103.3	—	—
CDE	Cleaning and sanitization of school buildings.	—	—	\$100.0
Go-Biz	Support to small businesses.	50.0	—	—
DSS	Temporary relocation of residents in adult or senior care facilities.	41.0	—	—
DSS—Child Welfare	Additional support and services to foster caregivers through Family Resource Centers and helplines.	8.5	—	—
DSS—IHSS	Conduct wellness checks call and/or visits for IHSS recipients.	5.0	—	—
<b>Totals</b>		<b>\$692.6</b>	<b>\$1,300.0</b>	<b>\$100.0</b>

<sup>a</sup>Provided within Proposition 98 (1988).

Department	Description	SB 89	DREOA	SB 117 <sup>a</sup>
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<sup>a</sup>Total anticipated costs are \$990 million.

SB 89 (Committee on Budget and Fiscal Review); DREOA = Disaster Response-Emergency Operations Account; SB 117 (Committee on Budget and Fiscal Review); DGS= Department of General Services; OES = Governor's Office of Emergency Services; CDPH = California Department of Public Health; EMSA = Emergency Medical Services Authority; BCH = Business, Consumer Services, and Housing; DSS = Department of Social Services; DHCS = Department of Health Care Services; CalWORKs = California Work Opportunity and Responsibility to Kids; CDCR = California Department of Corrections and Rehabilitation; BSCC = Board of State and Community Corrections; CDE = California Department of Education; Go-Biz = Governor's Office of Business and Economic Development; and IHSS = In-Home Supportive Services.

***Partial Federal Reimbursement Likely for Majority of These Costs.*** Most, perhaps all, of the costs reflected in Figure 1 are likely eligible for partial reimbursement from the federal government. Specifically, under the President's disaster declarations in response to COVID-19, the Federal Emergency Management Agency (FEMA) can reimburse states for costs associated with measures taken before, during, and immediately after the incident to save lives and to protect public health and safety. As a result, FEMA likely will reimburse the state for 75 percent of eligible costs. We provided more information about the funding implications of the COVID-19 disaster declarations in [this post](#).

***Other Costs Not Captured by This Figure.*** Some state agencies are incurring costs that are not reflected in Figure 1. For example, through the end of March 2020, the University of California (UC) estimates it has incurred \$558 million in foregone revenues (including lost housing and dining revenue as students move off campus, and lost hospital revenue due to the cancellation of elective procedures) and higher COVID-19-related costs (including higher technology and training costs associated with delivering more instruction online). The state has not appropriated funds directly for these types of purposes, although federal funds might help agencies cover a portion of some of these costs. For example, UC expects to be able to cover some of these costs with higher education and health funding provided in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act as well as potentially receiving reimbursements from FEMA similar to those described above.